

10 October 1955

Walter Melchior, Esquire
Box 192
Appleton, Wisconsin

Dear Mr. Melchior:

This is in response to your letter of October 1955 to Senator Alexander Wiley concerning the indebtedness of Mr. [redacted]

[redacted] to the United States. A copy of your letter to Senator Wiley was sent to [redacted] Washington 13, D.C., and has been referred to me. I address this to you on the assumption that you are representing [redacted] in this matter.

First, let me reassure you as to the authenticity of the correspondence received by [redacted] was acting as a representative of the United States Government, and [redacted] indebtedness is to the United States. Acting on the assumption that [redacted] wanted to proceed to discharge this indebtedness we communicated with him in a manner designed to preserve, insofar as possible, the confidential nature of his recruitment by this Agency. Since you have been brought into the matter, however, I am addressing this letter to you by means of official CIA stationery. Correspondence may be addressed to me at the above address, rather than to [redacted] and checks should be made payable to the Treasurer of the United States.

As to the indebtedness itself, it represents travel expenses, including per diem, which the Government paid in transporting Mr. [redacted] to Washington, where he was on duty for a number of months preparatory to continuing on to an overseas station for duty with this Agency. Since [redacted] resigned after a brief period for personal reasons, he is required by the terms of his agreement of employment with this Agency, and by law, to refund the expenditures. I understand that [redacted] knows these circumstances of the indebtedness and agreed to make regular payments of \$20.00 per month beginning 1 July 1952 and increased to \$35.00 per month beginning 6 months later. No payments have been received.

I hope the foregoing will help to clarify the situation so as to allay [redacted] fears and to enable him to make arrangements to repay the indebtedness promptly. If I can be of any assistance or furnish any additional information please call on me. In view of this exchange of correspondence, we will allow another thirty (30) days to hear from [redacted] and will postpone for that period referral to the General Accounting Office.

I am forwarding a copy of this letter to Senator Wiley
for his information.

Very truly yours,

Lawrence R. Houston
General Counsel

CONCUR:

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/s/ [redacted]
Office of Security

/s/ _____
Inspector General

25X1A9a
/s/ [redacted]
Finance Division